

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2021-277-C - ORDER NO. 2021-\_\_\_\_\_

December 2, 2021

IN RE: Application of	)	ORDER APPROVING
	)	TRANSFER OF
ExteNet Systems, Inc.	)	CUSTOMERS AND
	)	CERTAIN ASSETS
and	)	
	)	
ExteNet Asset Entity, LLC	)	
	)	
For Approval to Transfer Customers and	)	
Certain Assets	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of ExteNet Asset Entity, LLC (“EAE”) and ExteNet Systems, Inc. (“ESI”) (together, the “Applicants”) seeking approval for EAE to acquire certain assets, including customer contracts and related telecommunications network infrastructure from its indirect parent, ESI.

The Application was filed pursuant to S.C. Code Ann. § 58-9-310 and the rules and regulations of the Commission.

The Commission’s Docketing Department instructed the Applicants to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application and of the manner and time in which to file the appropriate

pleadings for participation in the proceeding. The Applicants complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No petitions to intervene were received.

On November 24, 2021, counsel for the South Carolina Office of Regulatory Staff (“ORS”) filed a letter with the Commission setting out that it had reviewed the Application and supported the relief sought in the Application. The ORS also informed the Commission that it did not intend to appear at the hearing in this Docket.

A hearing was held on November 30, 2021, at 2:00 P.M. before the Commission, Chairman Justin T. Williams presiding.

The Applicants were represented via videoconference by John J. Pringle, Jr., Esquire. The ORS did not appear at the hearing. At the beginning of the hearing, counsel for the Applicant moved, pursuant to 10 S.C. Code Ann. Regs. 103-840, to consolidate for hearing the proceedings in this Docket with those in Docket No. 2021-276-C, and Chairman Williams granted the motion.

Brian Kirk, Deputy General Counsel of ESI, appeared and via video conference testified in support of the Application. The record reveals ESI is authorized to provide intrastate local exchange and interexchange telecommunications services pursuant to authority granted in Docket No. 2012-207-C. EAE filed an application to provide local exchange and interexchange services in South Carolina in Docket No. 2021-276-C.

Mr. Kirk further described the Transaction. According to Mr. Kirk, the Transaction is part of a plan to expand the ExteNet family of authorized operating companies to better align their businesses with current and future customer focus and growth and to obtain

additional debt financing. As a result of the Transaction, certain contracts and related network assets will be assigned from ESI to EAE, including customer accounts and contracts, antennas, fiber, and other telecommunications equipment. Following this intra-corporate Transaction and the grant of EAE's Certification Application, EAE will primarily provide service and networks targeted to WSPs. ESI will continue to operate under its existing certificate and will continue to develop, sell, and construct new distributed networks, along with providing "lit" services to commercial users and new services.

According to Mr. Kirk, to assure seamless and uninterrupted service, all of the customers assigned to EAE will continue to receive service from EAE under the same rates, terms and conditions of services as governed their existing contracts with ESI. EAE will offer point-to-point telecommunications services to WSPs, other telecommunications carriers and communications providers. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and the applicable federal and state notice and tariff requirements.

The Transaction will not cause confusion or disruption to customers since EAE will market and perform its services under the "ExteNet" brand with which customers are familiar, will provide existing customers with the same rates and terms of service, and will operate through the same customer service, technical, operational and managerial personnel.

Mr. Kirk provided testimony regarding the public interest benefits of the Transaction. According to Mr. Kirk, the Transaction will result in the assignment of

customers and assets to an affiliated company that will continue to provide telecommunications services to such assigned customers without interruption. Following grant of requested authority, EAE will offer services at the same rates and on the same terms and conditions as currently provided under the “ExteNet” brand (subject to future changes pursuant to applicable law and contract provisions). Given that EAE and ESI share the same management team, customers will benefit from that team’s knowledge and experience in the South Carolina market. EAE will operate its networks and offer services designed to meet the individual needs of its WSP, other telecommunications carrier, and communications provider customers in providing high quality services in an efficient and cost-effective manner. ESI will continue to operate under its existing certificate and will continue to develop, sell, and construct new distributed networks, along with providing “lit” services to commercial users and new services.

After consideration of the applicable law, the Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. The ORS supports the relief requested in the Application.
2. We find, pursuant to S.C. Code Ann. § 58-9-310, that the Transaction, under which ESI will transfer certain customers and assets to EAE, is in the public interest. As described in Mr. Kirk’s testimony, the Transaction will provide benefits to ESI, EAE, and the ExteNet family of operating companies, and will have no adverse effect on the customers of the Applicants.

3. ESI will continue to operate under its existing certificate following consummation of the Transaction.

4. The ORS supports the relief requested in the Application.

**CONCLUSIONS OF LAW**

1. The Commission concludes that ESI and EAE should be authorized to effectuate the Transaction, for the reasons set out herein.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application seeking approval for EAE to acquire certain assets, including customer contracts and related telecommunications network infrastructure from its indirect parent ESI is approved, and ESI is authorized to transfer to EAE those certain assets pursuant to the Transaction. A Certificate of Public Convenience and Necessity should be granted to EAE to provide facilities based and resold local exchange and interexchange telecommunications services within the State of South Carolina.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

---

Justin T. Williams, Chairman  
Public Service Commission of  
South Carolina

(SEAL)